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F 88 LINES

FEBRUARY 1959

A Message from the

N recent weeks I have received booklets from three rural electric groups: the Ree Electric Cooperative in South Dakota; the Tuscarawas-Coshocton Electric Cooperative in Ohio; and the Minnesota Electric Cooperative in Minnesota. These publications were designed to tell co-op members the background of their organizations and to let them know future plans, as well as current status. They are first rate examples of good member information programs which will increase the members' knowledge of the value of the co-ops they own and also increase the members' value to their co-ops.

Throughout the history of the cooperative movement, one fact is clearly evident: the success of a cooperative enterprise depends squarely on its members and on how well they have been informed.

Unless a special effort is made to inform a member about his co-op, he will probably remain completely in the dark about his relationship to it and wholly apathetic. When he is informed, he gains understanding not only of the co-op's value to him, but also of how it works. With understanding he gains interest and begins to participate in building a better co-op; he knows that a co-op's success depends on mutual effort.

Member education is a never-ending job. There are many ways to do it. The booklets I have received are examples of one particularly good way. I hope to see more of them.

Rural Lines

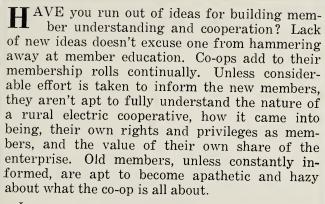
Administrator.

Editor: John H. Howard. Contributions to this issue: Hubert W. Kelley, Jr.; J. Ernest Hartz; Louisan Mamer; Donald H. Cooper.

Issued monthly by the Rural Electrification Administration, U. S. Department of Agriculture, Washington 25, D. C. Subscribe to this publication from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. Price \$1.50 a year; foreign \$2 a year; single copies, 15 cents. Printing of this publication has been approved by the Director of the Bureau of the Budget, January 3, 1957 • Vol. 5, No. 9

Questions & Answers

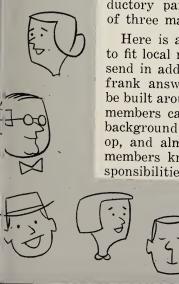
To Tell The Story To New Members (and to Old Members, Too)

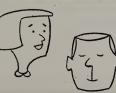


In some co-ops, management is reaching back into the bag for "old reliables", dusting them off, and putting them to good use. One of the standard member relations tools which can be used over and over again is the question-and-answer feature. This is particularly helpful in orienting new members, but serves well for oldtimers, too.

If questions and answers are published in the newsletter, they should be broken into related groups of from 5 to 8 questions, with an introductory paragraph. Single questions or groups of three may be printed and sent as bill inserts.

Here is a sample series that may be reshaped to fit local needs. Some co-ops invite members to send in additional questions to be published with frank answers. Whole groups of questions can be built around rates, members' equity, taxes, how members can use electricity more profitably, the background and future plans of a particular coop, and almost any other subject that can help members know more about their rights and responsibilities.















Q. What is REA?

A. The Rural Electrification Administration in the U. S. Department of Agriculture is widely known as the "REA". It was established in May 1935 by an have been made to build electric distribution systems. Where necessary, REA lends money to build electric generating plants and transmission lines. REA can also lend money to co-ops for financ-



Executive Order of the President, and then continued by an Act of Congress known as the "Rural Electrification Act of 1936,"

Q. What does REA do?

A. REA makes loans to provide electric service and to improve and extend telephone service in rural areas. Most electric loans are made to non-profit cooperatives organized by rural people. About 33 percent of telephone borrowers are cooperatives.

Q. What kinds of loans does REA make?

A. Most of the electric loans

ing wiring, plumbing, and electrical equipment for their members. In October 1949, Congress authorized REA to make loans to extend and improve telephone service in rural areas. Since 1944 most loans have been made for the maximum authorized period of 35 years. All bear an interest rate of 2 percent.

Q. How much money has REA lent for these purposes?

A. By December 1958, more than 3 and 4/5 billion dollars in loans were made to 1,081 electric borrowers. Almost 95 percent of this amount went to cooperatives. More than half a billion dollars in loans were made to 424 telephone companies and 208 telephone cooperatives.

Q. Will this money be repaid?

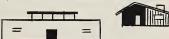
A. Yes. REA borrowers have consistently maintained an excellent record of repayment on their loans. More than a billion dollars in principal and interest have been paid to the government by co-ops and other rural electric borrowers. Only four electric borrowers were behind schedule in repayments at the end of fiscal year 1958.

Q. What was accomplished by these loans?

A. In 1958, 95 out of 100 farms in this country had electric power (compared with 11 out of 100 in 1935). More than half of the farms connected to central station lines since 1935 ceived electric service from REAfinanced systems. The rest were on lines of other suppliers. Borrowers, most of them co-ops, had energized almost 11/2 million miles of line and were serving 41/2 million consumers. The average monthly use of electricity per farm consumer was 291 kilowatts in 1957, double what it was in 1950.



RURAL ELECTRIC CO-OPS



Q. What is an REA electric co-op?

A. An REA co-op is any electric cooperative which is financed by REA. It is a locally-owned private enterprise, incorporated under the laws of its state, and operated on a nonprofit basis to provide you and your neighbors with electric power.

Q. Who owns this rural electric co-op?

A. You and your neighbors who are the members of the co-op and are using its service are joint owners.

Q. Who runs the co-op?

A. As members of the co-op, you and your neighbors determine the general policies and elect the board of directors at the annual meeting. The board employs a qualified manager to run the business under supervision of the board. The manager hires the

other employees needed.

Q. Does control of a co-op differ from control of an ordinary electric company?

A. Yes. Control of a stock corporation such as an electric power company is in the hands of stockholders who vote in accordance with the number of shares of stock each owns. The co-op is controlled entirely by people whom it serves. Each member has just one vote.

Q. What guarantees a member's share of control in the co-op?

A. His interest and participation is the best guaranty. The coop is incorporated under laws of the state and is legally bound to adhere to the bylaws which the membership (or in some states the board) has adopted and can change from time to time. The bylaws specify among other things

the rights and responsibilities of a member.

Q. Can a member get a copy of the bylaws?

A. Yes. Every member should have a copy of the bylaws and it is the responsibility of the board to see that copies are given to the members.

Q. How can I tell whether the operation of co-op is satisfactory?

A. Understand the aims of the co-op and see if they are being met. Study the financial reports your co-op puts out. Read your newsletter and state papers regularly. Ask questions at the annual meeting.

Q. Do members have to go to annual meetings?

A. No member can be compelled to go, of course. But members who realize they have an ownership stake in the co-op will want to attend the meeting in order to hear reports of operations, to help set the policies of their co-op, and to elect the directors.

Q. What can members do to help their co-op serve them better?

A. Make suggestion through proper channels that will help coop management improve operations. Read communications from board and manager so as to understand what is going on and be able to answer questions about REA and your local co-op. Pay bills promptly; report outages and dangerous line conditions; cooperate in reinspection, safety and maintenance programs, in using power during off-peak hours, in helping lineman and other co-op employees during emergencies. These are some of vour responsibilities as a member and joint owner.

THE BOARD OF DIRECTORS



- Q. How many directors does your co-op have?
- A. (fill in number) . They are (fill in names)
- Q. How are directors nominated and elected?
- A. This is explained in your bylaws. At the annual meeting you and the other members decide by your votes which of your fellow members you want to entrust with the direction of your co-op business.
- Q. Is it necessary for directors of a rural electric co-op to have experience in electric utility management?
- A. No. A director's job is not the same as that of a manager. Directors are chosen because of the members' confidence in their leadership, their good judgment, their reputation in the community, their devotion to the co-op's welfare, and their willingness to give the necessary time without pay to carrying out their duties as directors.
 - Q. Are directors paid a salary?
- A. Directors of co-ops do not receive a salary for their services. The bylaws provide only for a fee to directors for attending board

meetings and reimbursement of out-of-pocket expenses. Directors donate their services to the co-op.

Q. Can directors afford to give enough to do their job adequately?

A. The service is a demanding one if fulfilled properly. However, the board's job is one of supervision rather than detailed administration. While the responsibilities are heavy, they do not demand more time than your directors are able and willing to give.

Q. What are the responsibili-

ties of the board?

A. Your board is responsible to the membership for all phases of the operation of the co-op, for employing a competent manager, and for seeing to it that the management job is carried out effectively and efficiently.

OPERATING A CO-OP

Q. Is the co-op manager paid by the Government?

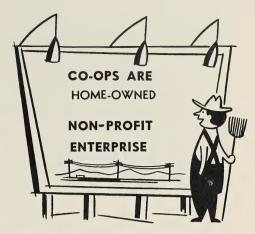
A. No. Manager (name) and all members of the staff are employees of the co-op. Their salaries are regular operating expenses paid out of revenues which come primarily from the money you pay on your electric power bills.

Q. What are some of the other operating expenses?

A. The cost of power is the biggest item in the rate you pay for electric service. Then there is interest on the REA loan, heat, light, water, telephone, office supplies, and taxes, among other operating expenditures.

Q. Does this co-op have any net margins which will be returned to consumers?

A. Yes. Whatever you pay above the actual cost of electric



service is credited to your account as a capital investment. This is your share of ownership of the co-op's assets, and gradually will be returned to you in cash when the financial condition of the coop warrants it.

Q. When will that be?

A. Roughly, when our equity (our own capital investment) reaches about 40% of the total assets of the business. Our equity now stands at (percent) %.

Q. How much do I have now in my equity account?

A. The amount varies for each consumer. The more electricity you consume, the more dollars will be credited to your capital account, in any year in which a net margin is realized. The longer you have been on the lines the sooner you will be eligible for some repayments. You can inquire at the office about the status of your capital credits account.

Q. How can we ensure continued operation of our co-op?

A. This is up to you—you are the owners of the co-op. You set the basic policies through the board which you elect. Your enthusiasm, loyalty, and cooperation determine the success or failure of your co-op.

Hard Work Builds

Delaware

County Annual Meeting

E ACH year the members of the Delaware County Electric Co-Operative, Inc., learn more about the rural utility which they own. Manager Howard S. Willard and the board of directors of this New York State co-op have put in much hard work in developing member interest. Most the effort is concentrated around the annual meeting.

Headquarters of the Delaware County Co-op is at Delhi, New York, in the picturesque Catskill Mountain region. It is a prosperous dairy-farming area. The co-op's 442 miles of line serve 1,200 consumers, who used over 6.6 million kwh last year.

Last year the co-op's annual meeting drew a good attendance, which was largely attributed to the fact that capital credits checks were distributed at the meeting. Encouraged by this, Manager Willard, President





More than 1,000 interested members attended Delaware County's business sessions.

Harry Hedman, and the Board of Directors began to make plans to get a record turnout for the 1958 meeting. They succeeded in getting a new record attendance of 1,050.

It was the result of good planning and lots of hard work. A delicious barbecued chicken dinner was the main drawing card, according to Willard. It was prepared and served by a local poultry farm, assisted by the staff of the New York State Agricultural and Technical Institute. The Institute is located in Delhi and also served as the meeting place for the co-op's annual meeting.

A good attendance at the business meeting itself was assured by the donation of 35 valuable and useful electric appliances as prizes at the close of the session. The prizes included a free electric light bill for the current month.

Immediately after, co-op members enjoyed round and square dancing.

"They all seemed to have a good time," said Manager Willard. "It was a good time they'll remember about annual meeting time next year."

Delicious barbecued chicken helped draw a record crowd.

Tips On Educating New Members

from John M. Carmody, former Administrator, REA

ONE man not in the least surprised by the recent story of the financial growth of REA electric borrowers (RURAL LINES, November 1958) was John M. Carmody, second Administrator of REA.

"I always knew that the Nation didn't have to worry about the coops' repayment record," Carmody told a RURAL LINES reporter, "because farmers are first-class credit risks. They take their debts seriously."

The former agency head, now retired and living in suburban Chevy Chase, Maryland, wrote REA after receiving his copy of the magazine. He was particularly interested in the success story of the typical co-op in "Rosecrans County," the fictitious service area of a real borrower.

"I know that I must have made the loan that started the average co-op in business," wrote Carmody, who moved up from deputy administrator to administrator in 1937 and served until mid-1939. "It's good news to find out that I made the right decision."

But Carmody admitted that he hadn't dreamed that rural electrification would grow to presentday proportions.

"The fact that it did," he pointed out, "simply demonstrates how sound a program it is."

What of the future of rural electrification?

"I see the education of new members as the most important

task—and perhaps the most difficult one — confronting electric cooperatives today," Carmody said. "I see newsletters from rural systems, and I have observed that a number of cooperatives get as many new members in a single year—200 to 300—as founded the co-op back in my day."

The former Administrator also noted that many of these new members have town and city backgrounds and are unfamiliar with cooperative organization.

"If I were a co-op official, I wouldn't waste any time getting together with these new consumers," Carmody said. "Certainly, I'd send each one a personal letter, telling him something about the organization he has joined. Then I'd call on him personally to ask questions. I'd sit down and have a cup of coffee with the family and tell them what we did to bring electricity to their area."

John Carmody, now 77 years old, brought a wealth of experience with him when he first came to REA in September 1936 as deputy to Morris L. Cooke, first Administrator of REA. He had been a coal mining executive, a factory manager, and had edited both a leading magazine in the coal industry and the foremost magazine in the management field. He was an early admirer of Frederick Taylor, pioneer of modern scientific management,

and he had proved himself a skilled arbitrator in labor-management disputes. He came to REA convinced that a government agency should be as productive as a modern industrial plant. And he saw to it that REA was.

Recalling incidents from the past, Carmody told of the men who first conceived the idea of rural electric cooperatives.

"There were to many of them for me to single out any one to give credit. They were all dedicated men who performed a great service for rural electrification.

"But in every life, a man is entitled to one lost cause," Carmody mused, with a hint of humor. "From the very first, I thought that the boards of directors of electrics co-ops should include at least one woman, and perhaps two. After all, it was the

farm wives who really put electricity to work. It took the men a little longer. Evidently nobody listened to me. On most boards, there's not a single woman."

But Carmody is philosophical about his lost cause.

"It's not too late for them to take my advice," he said. "A woman on every board was a good idea when I was Administrator, and it's still a good idea."

Carmody was heartened by the number of new headquarters buildings which have been constructed in recent years where townspeople can see them.

"I'm glad to see that happening," he concluded. "Co-ops belong on Main Street; the location carries a 'lot of prestige with members and with non-members. I think that it will prove a great asset in the future."



Carmody chats with Administrator Hamil.

Farm Electrification Conference

REA borrowers' engineers, electrification advisors, and managers from 22 states attended the 1958 Farm Electrification Conference held in New Orleans recently. Highlighting the meeting were three papers by REA borrowers' engineers:

"A Practical Approach to the Farm Wiring Problem," Earl F. Ash and H. C. Grube, Northwestern R.E.C. Association, Cambridge Springs, Pennsylvania;

"System Requirements for the Electric Heating Load," Fred Ragan, Warren R.E.C.C., Bowl-

ing Green, Kentucky;

"Field Study of the Performance of Double Gaps as Compared to Lighting Arresters on Rural Distribution Systems," R. J. Fair-

child, Rural Line Engineers, Clayton, Missouri.

Other subjects covered included discussions of electric house heating, tapless distribution transformers, voltage regulators, farm water pumps, completely electrified farms, and farm kwh requirements.

This meeting is unique among technical meetings sponsored by the American Institute of Electrical engineers in that it is devoted exclusively to rural electrification technical subjects. Membership in the AIEE is not necessary for attendance at these meetings and REA borrowers' personnel are especially welcomed. The next meeting is scheduled for May 1960 in Omaha, Nebraska.

HOUSE PARTIES—To help tell the co-op story, Yellowstone Vallev Electric Cooperative, Huntley, Montana, uses members to assist in holding electric house parties in each section of the co-op's service area. The co-op selects a hostess who in turn invites friends and neighbors as guests. Manager Max Matthews, Power Advisor Clarence Rupp, and Home Economist Olga Pickens conduct a program that includes: an introduction, a quiz program, facts on the appliance-of-the-month, and information about the co-op and its rates. A general discussion follows. Each house party causes other women to become interested in scheduling parties later. In a year's time, the co-op hopes to reach at least two-thirds of its membership with this informal party technique.

READING RACK—Alabama Electric Cooperative maintains a reading rack in its offices at Andalusia, Ala., for visitors to the offices. Its employees may borrow publications—for free, of course — on many subjects: health, history, safety, wiring, proper use of electricity, history of rural electrification in Alabama, "Growing Old Gracefully," and "Watch that Waistline."

AWARD — Southwest Tennessee Electric Membership Corp., Brownsville, Tenn., received an award of merit for its annual report featuring 20 years of progress and service. Award was presented by the Tennessee Valley Public Power Association at its annual meeting. The report was judged to be the best report to members in the Tennessee Valley area.



DRIVE-IN WINDOW-Night depository slots and drive-in windows for payment of bills are in use by a number of co-ops. Middle Tennessee Electric Membership Corp., Murfreesboro, has installed night deposit boxes at all four co-op offices in its area; and Meriwether Lewis Electric Cooperative, Centerville, Tennessee, has installed night depositories at all five of its area offices. Nolin Rural Electric Cooperative Corp., Elizabethtown, Ky., and Central Valley Electric Cooperative, Artesia. New Mexico, built drive-in pay windows in new headquarters buildings constructed in 1957.

HELLO—"Your attention please! Listen carefully, your call is being answered mechanically," etc., is the reply the members of Pickwick Electric Corp., Selmar, Tennessee, get when they call the office during non-working hours. A part of the message gives a phone number to call in case a member is reporting trouble.

FARM BUILDING HEATERS—A complete line of electric heaters specifically designed to handle particular farm jobs went on sale to members through P.K.M. Electric Cooperative, Warren, Minn., during the winter of 1957-58. Equipment offered includes: "a 500-watt pumphouse heater, a 1,500 watt small milkroom heater, a 1,000 watt stock tank heater,

and an industrial type blower heater ranging in size from 3,000 to 4,500 watts for use in larger milkhouses, shops, or other places where quick but safe heat is needed. All heaters come equipped with thermostatic controls for most economical operation."

SIX SINKS—At the dedication of the headquarters building of the Cedar Valley Electric Cooperative, St. Ansgar, Iowa, in August, co-op women examined their new all-electric kitchen. Kitchen service is complete for 144 people, and the meeting room will seat 250 at tables. Six stainless steel sinks will handle food preparation and dishwashing for a crowd. Equipment also includes two 30-inch ranges, a refrigerator-freezer, dishwasher, and waste disposer. In an all-electric laundry adjoining the kitchen, a washer, dryer, and laundry sink are installed.

PAYOFF—Coles-Moultrie Electric Cooperative, Mattoon, Illinois, a co-op that has had an outstanding member relations program for 20 years, reported two phenomenal results in the December issue of Hilites on the High Lines: "The response to filling out and returning the Electrical Equipment Check Lists was wonderful. About 99.4 percent of you members sent these in. Many of you commented on your electric service and made requests for larger transformers and third wires. We will check on each of these as soon as we can get to them." The second item on "Stopped Meters" follows: "Every month your cooperative replaces about 10 meters that have stopped registering the electricity going through. In the majority of cases, it is you members who report these stopped meters. Each of you is to be complimented for your cooperation in this matter."

LOCAL COLOR—Several annual meetings in North Dakota featured a sure-fire, crowd-drawing attraction in 1958: a smorgasbord. Typical smorgasbords were set up at the annual meeting of Cass County Electric Cooperative, Kindred, where the smorgasbord was sold to those attending; and at the combined annual meeting and headquarters open house where it was served free by Polar Rural Telephone Mutual Aid Corporation, REA telephone borrower at Park River.

OUESTION BOX—A power use discussion at the annual meeting of Tri-County Electric Cooperative, Carrington, North Dakota, was dramatized by answering members' questions. In advance of the meeting, the co-op's newsletter carried a coupon with room questions that members wanted answered at their annual meeting. Members filled in the coupon and returned it with their meter reading, and co-op employees grouped and consolidated similar questions and supplied the answers. The members also asked questions from the floor.

NORA MADHOUSE—Nora Co-op News, monthly publication of Northern Rio Arriba Electric Coop, Chama, New Mexico, reports a new round of activities for . NORA: "The Co-op office has been sort of a madhouse for the past few weeks, and it will probably be more so before it gets better. In the past it has been bad enough, being headquarters for the utility company, the village newspaper and the public library. Add to that activities in connection with Chama Days. County Fair, Annual Meeting. and you've got a mess. I find my thoughts iumping power bills to rodeo clownsfrom voltage regulators to arena directors. Sorta confusing. Just hope you all will bear with us 'till Chama Day, County Fair and Annual Meeting all get on the road."

ECONOMIC AID-Arkansas Valley Electric Cooperative at Ozark, Arkansas, is helping build the economy of the 12 counties it serves by investing reserve funds in farm loans and industrial expansion, according to a report given by President Justin Willems at the co-op's annual meeting last summer. On the industrial front, the co-op has invested in the First Arkansas Industrial Development Corp. statewide promotion in industrial development groups in 3 counties served. Secretary W. L. Glover reported civic activities of the co-op, as follows: award of 4-H prizes. financial aid to several outstanding youths for trips won as part of their club work, and contribution to a statewide co-op fund for 1-year Uncle John Memorial Scholarship at the University of Arkansas.



CO-OPS in all parts of the country redoubled efforts during the past season to introduce electric house heating to their members.

To penetrate this big new market for kwh, co-op promotional drives used publicity, special incentives, attractive financing, free estimates, and combinations of meetings, open houses, and demonstrations.

At Grayson, Ky., the Grayson Rural Electric Cooperative put out a 20-page issue of its newsletter *Outpost* last October, listed case after case of satisfied users of electric heating. The co-op has been studying electric heating for 3 years, and Manager Hobart C. Adams told his readers confidently, "I am not trying to sell you a pig in a poke." Adams' own home, electrically heated for four winters, is open for inspection.

In REMC Current Comments, published by Parke County Rural Electric Membership Corp., Rockville, Ind., pictures of 23 electrically heated homes appeared last summer. Captions included each users' name, address, area of house, type of heating, estimated and actual operating costs. This kind of testimonial advertising pays off.

Co-ops have come up with a variety of incentives. The Cass County Electric Cooperative, Kindred, N. Dak., pays a \$20 wiring allowance for permanently installed electric heating panels. The offer applies to only one panel per home.

In Hondo, Texas, the Medina Electric Cooperative offered \$25 in Bonus Bucks to any member buying a window heat pump. Medina Electric News suggested using the \$25 "like cash as a down payment or to offset wiring costs." Members buying pumps were eligible for a chance on a free \$300 appliance.

A big check—\$150—went to any member of the South Kentucky Rural Electric Cooperative, Somerset, Ky., who followed recommendations prepared by the co-op and contracted to install electric heating by the middle of last year.

Other Kentucky co-ops tied incentives to kilowatts. In a joint program, East Kentucky Rural Electric Cooperative Corp., Winchester, and Farmers Rural Electric Cooperative Corp., Glasgow, paid users \$15 per kw for all heating jobs installed and inspected by September 1. Co-ops made free estimates. To pick up the \$15 per kwh, owners had to comply with the 6-4-2-inch insulating formula, install storm doors and windows, and follow other co-op recommendations.

To get people acquainted with electric heating, Kay Electric Cooperative, Blackwell, Okla. offers a 250-watt heat lamp and holder free with the purchase of a \$15 portable heater. Kay Electric also furnishes free wiring to any user who installs a permanent electric room heater.

In one novel educational program, a North Baltimore, Ohio, co-op is claiming built-in incentives for proper insulation with electric heating. Hancock - Wood Electric Cooperative, in its Co-on Power News, has told members about its research project involving a modern, 1200-square-foot home. By investing an additional \$485 in construction, claimed Hancock-Wood, the home owner saves \$63 annually in electric heating costs. This amounts to a 13 percent return on his investment. He reduces his heating bill



In his father's new farmhouse near Forrest City, Arkansas, little Bryan Howton is literally growing up with electric house heating. His dad, who installed ceiling resistance heating, says he has "fewer regrets about it than anything he's ever done."

from \$200 to \$137 annually—and gets a cooler house in the summer free of charge.

Co-op after co-op is learning that it takes special efforts to get consumers out to see various types of heating installations. Most people, it turns out, still don't know much about the equipment that is available.

In Corvallis, Mont., for instance, an "Electric Heating Week" held last September drew some 200 members to an exhibit

Electric heat during cold Montana winters will warm the parishioners of St. Joseph's Church of Hysham, Montana. It is served by the Mid-Yellowstone Electric Cooperative, Inc.



Fred C. Stadler, power use adviser for Crawford Electric Co-op, Bourbon, Mo., is insulating his own farmhouse to show other consumers that older homes are candidates for electric house heating.



A mobile electric heating exhibit, shown here at a fair in Forrest City, Arkansas, home of Woodruff Electric Cooperative, has been built at a cost of \$6,000 by the Arkansas Electric Cooperatives. Coops rent the bus from the Statewide. Inside the bus, once a rolling Post Office, are examples of all types of electric heating, including heat pump.



of equipment in the co-op offices. Manufacturers' representatives were on hand to advise members on house heating designs, and a free heating installation was awarded as a door prize.

In Missouri, the lively Power Use Group of the Sho-Me Power Corp., at Marshfield, held a 2-day training meeting for managers and power use advisers of Sho-Me member co-ops. Later, it held a practice installation in a new home at Mountain Grove. Since, Sho-Me has held a school for retailers and contractors in each co-op area. Turnout frequently has been far beyond expectations.

Last fall, *The Dawson Dynamo*, Dawson County Public Power District, Lexington, Nebr., told consumers that it would "measure-up your house, prepare an electric heat proposal, and explain the complete story of electric heat for your home," all without charge. Dawson County also supplies extra copies of each proposal to the wiring contractor, builder, or banker on request.

In some localities, special financing arrangements are necessary. East Central Oklahoma Electric Cooperative, Okmulgee, is selling resistance heaters to members on terms of 10 percent down, 5 years to pay, and 4 percent interest. The co-op offers a special heating rate from October 1 to April 30.

Perhaps the only co-op to promote electric heating for doghouses is Greene County Rural Electric Cooperative, at Jefferson, Iowa. Its newsletter told how Manager Harold F. Mears installed radiant heating cable in the floor of a new kennel for his wife's pedigreed English pugs.





New dial telephone building in Hull, Texas.

Cornerstone of Public Relations

THE Hull Telephone Company in Texas laid a cornerstone in member and employee relations when their Hull-Daisetta exchange was converted to dial operation. They made it the occasion for a ceremony attended by several hundred employes, friends, and subscribers of the company.

This conversion was the climax of the company's dial program in which all of the outside plant was completely rebuilt, new buildings constructed to house the dial equipment, and all subscribers furnished with latest in gray colored dial telephones.

The celebration began with a big luncheon for 200 people in the new telephone building. Principal luncheon speakers were W. G. Winters, President of the company, and James C. Winters, the general counsel. They introduced the visiting celebrities, who came from as far away as Chicago, and spoke about the company's history and of the Independent telephone industry in general. W. G. Winters paid special tribute to

Everybody got in the act when the subscriber lines were cut over.



Guest J. C. Zbranek energized the power board.





The new six position long distance switchboard handles calls for seven exchanges on the system.

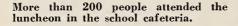


REA for the success of the rural telephone program. He gave special recognition to the employees of the company; he used the occasion to present several employees with safe driving certificates.

Employees and subscribers were also recognized in the dedication and ribbon-cutting ceremonies which followed the luncheon. Certificates of appreciation and sterling silver charm bracelets were presented to Miss Minnie E. Kincaid and Miss Ida Bell

Kincaid for their 18 years of service to the company at Saratoga, Texas, as operators. The oldest subscriber and the longest subscriber were given telephone stands in appreciation of their long and continued patronage. All guests received plastic dialers, pencils, and telephone number booklets as souvenirs. After addresses by state legislators, the cutover took place. The exact procedure was explained to open house guests as each step took place. Guests toured the building.

The ribbon was cut to open the new dial exchange building by Mrs. Neveille H. Colson.









BORROWERS are using the telephone itself to promote more sales of telephones, long distance service, and extension service.

Kenneth A. Knudsen, Manager of the Dakota Co-operative Telephone Company, Inc., at Irene, South Dakota, found that a display of all sorts of telephones attracted people to the co-op's booth at the Turner County Fair. More than 8,000 people visited the booth, including most of the suscribers. They registered for two prizes which were to be drawn, and as they registered they filled out blanks, indicating their interest in extension telephones, color telephones, or in

having a telephone installed. The co-op thereby got leads on 867 people interested in color telephones, 329 interested in extension telephones, and found that 71 would like to have a telephone installed. They sold several telephones on the spot, including color telephones.

Garland B. Foscue, Jr., found a dramatic way to acquaint subscribers of the Consolidated Telephone Company of Florence, Kentucky, with the fact that the company was initiating direct dialing to foreign areas. Foscue was in charge of the Rotary Club program in Florence, which is known locally as "Stringtown-on-the-Pike." He had a telephone at the speakers table, with a special loud speaker attached. After dinner, he dialed a ten-digit number, and Rotary guests heard J. Ballard Atherton, president of the Hawaiian Telephone Company, say "Here in Honolulu the gentle Pacific Ocean is warm and the beach looks inviting." Mr. Atherton was attending a Rotary luncheon in Honolulu. Foscue also placed a call to his father in Wilmette, Illinois, who introduced to the assembled guests R. C. Reno, editor of *Telephony*, by remote control. Mr. Reno was the scheduled guest speaker of the Florence Rotarians.

The Northeast Nebraska Telephone Company had great success with an exhibit booth used at two county fairs, according to LeRoy "Bing" Jones, manager of this Nebraska borrower. They mounted a dial telephone in front of the podium used in registering people attending the display. By using an old strowger switch and a series of relays, it was possible to light up the company's well-



"Bing" Jones invites a visitor to step up and register at the Northeast Nebraska booth.

displayed slogan: "Modern Dial Service at Cost." Each registrant was allowed eight dials to try to do so. Winners' names were put in a box, to be drawn for a "Free Long Distance Telephone Call" anywhere in the United States. About 6,000 people saw the display and several extensions that were part of the display were sold.

Old model telephones were on display at the County Fair. Kenneth Knudsen (below) shows new model telephones to Dakota Co-operative subscribers.

Huge telephone at Turner County Fair draws attention to value of telephone service to subscriber.







Rural Lines

Operating A Rural

TELEPHONE BUSINESS



Extension Telephone Service

Basically, operating a rural telephone business is like operating any other telephone business. This is the second of a series of articles on rural telephone company operations.

By J. Ernest Hartz, Management Analyst, TOLD

THE possibilities for stimulating growth and increasing revenues through the sale of Extension Telephone Service are enormous. Every telephone company should regard this fact with enthusiasm and direct active efforts toward the promotion and sale of this service.

The need for extension telephone service on the farm makes the market for it to farm households as well as business establishments more vital than in the city. Nevertheless, in many rural areas this market is largely disregarded by comparison with its development in neighboring urban areas.

While more than 7 out of 10 homes in the city have telephones, less than 6 of 10 on farms have them. However, this difference is rapidly disappearing. Because not enough is being done about it, corresponding progress is not being made in developing the market for extension telephone service on the farm. While about one of 5 homes in the city with telephones service have one or more extension telephones, probably not more than 1 of 50 farms

with telephone service have this additional convenience. How many of your rural subscribers have extension telephones?

THE chances are that the answer will be "not enough of them" and that plans will be made to improve this condition. In doing so, be alert to avoid providing this service for use in a manner and for purposes for which it is not intended. Extension Telephone Service extends the convenience of telephone service to additional locations within a subscriber's own household if he has residence service or within his business establishment in the case of business service. Carefully worded tariffs will define the service and the conditions under which it is provided. Here are a few examples of conditions which should not be permitted under duly authorized tariffs.

1. Cases of households, such as those of tenant farmers, not subscribing to telephone service but using extension telephone service listed for another family such as that of the owner of the farms upon which they live.

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Another is the case of Residence Telephone Service with Extension Telephone Service where the extension is located in a place of business and is used for business purposes. Sometimes the extension may be located some distance off the residential premises. In such cases if only one telephone service is desired, it should be provided at the business rate. In any case, regardless of whether or not an extension telephone is involved, the business rate is applicable if the subscriber desires to advertise the telephone number or obtain a business listing or advertising in the telephone directory. Therefore, where subscribers live at or close to their places of business they will usually prefer to subscribe to both business and residential service with different telephone numbers and listings.

3. If the usage and conditions under which Extension Telephone Service is offered is clearly defined in a company's tariffs, agreement with respect to the service

will be had when a subscriber first takes service of any kind. Illegitimate usage is thus avoided. Tariffs should state clearly that:

a. Residence Telephone Service is furnished for the use only of the subscriber or persons in his own household.

b. Residence Extension Telephone Service is furnished only to extend the convenience of main telephone service to locations within the same household. It is not furnished to extend such service to another household, whether or not the other household is on the same farm or premises, and regardless of ownership.

THERE is a service arrangement whereby a subscriber is permitted to share his sevice with another individual or firm in the case of Business Service. This is known as Joint User Service. However, joint users are permitted only in connection with Individual (1 Party) Line Service. In the case of Residence Service the joint users must reside within the same household. Extension Telephone Service should not be used to extend service outside one household regardless of whether there is a joint user. A joint user is entitled to a separate directory listing. This he could not otherwise obtain unless he is a member of the subscriber's family or household. Additional listings should be provided only for the subscriber and members of his household.

THERE are instances where premises occupied, or used, by a household are not contiguous. Sometimes, for the convenience of members of the subscriber's

household. extension stations must be located on premises other than those on which the main station is located, or at distances specified in tariffs beyond which mileage charges apply. This service is Off Premises Extension Service. Qualification for this service should in no way depend upon the nature or location of the premises upon which the extension service is, or is to be located. It should depend only upon who uses, or will use, the service and the type of such use. If the subscriber has Residence Service. only persons in his household may use it for non-business purposes. If he subscribes for business service it may be used by the same people who use the main station service for any purpose the subscriber desires.

These practices have stood the test of many years in the telephone business. They are generally accepted throughout the country. While minor details, they are nevertheless essential to the economy of the industry.





Does your company have cases of misuse of Extension Telephone Service? Are persons outside of a subscriber's household using his service? Is Extension Telephone Service at or from residence listings being used for business service? Is private business or residence service being used for the convenience of the public, or for anyone, except those in the subscriber's own establishment? Are any off premises extension services being used for the convenience of any but subscribers to main station telephone service?

If answers to any of these or similar questions are yes:

- 1. Check the Company's tariffs and revise them if necessary so that they clearly define the practices as irregular.
- 2. Clear up the cases as quickly as possible in a business-like manner.
- 3. Take care to prevent and avoid deviation from tariffs in the future.
- 4. Show special favoritism for none.

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GOVERNMENT PRINTING OFFICE
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